




Office of Inspector General
Pension Benefit Guaranty Corporation

November 1, 2016

TO: Karen Morris
Chief of Negotiations and Restructuring

FROM: Nina Murphy 
Assistant Inspector General for Audits, Evaluations, and Reviews

SUBJECT: Audit of the Standard Termination Compliance Division (Project No. PA-16-112)
and Audit of Premium Coverage Determination (Project No. PA-17-116)

On March 31, 2016, our office initiated a survey audit on the Standard Termination Compliance Division (Project No. PA-16-112) with the objective to determine if PBGC's STCD ensures participants receive the full protection of the law when their pension plan enters into the standard termination process. During the survey phase, we focused our analysis on the Compliance Audit Branch and the Processing and Technical Assistance Branch within the STCD. After performing limited testing, we decided to narrow the scope to the processes and procedures within PTAB. As a result, we refined our initial audit into two audits with the following objectives:

- Audit of Standard Termination Filing with an objective to determine if STCD efficiently and effectively processes standard termination filings.
- Audit of Premium Coverage Determination with an objective to determine if STCD accurately reviews and approves exemptions from premium coverage.

Work on these projects is ongoing. If you would like a meeting to discuss the two audits and the refined objectives, please contact Marty Boehm for coordination. In addition, we encourage open communication between PBGC and our audit staff throughout the audit process, and will hold update meetings as necessary. At the conclusion of each audit, we will hold an exit conference to discuss the final results. These audits will be reported separately.

If you have any questions or need any additional information, please contact Brooke Holmes, audit manager, at holmes.brooke@pbgc.gov or ext. 3790, or me at murphy.nina@pbgc.gov or ext. 3478. Thank you in advance for your time and consideration.

cc: Bela Palli, STCD
Marty Boehm, Director, CCRD